

JUNE 12, 1989

THE DIRECTOR OF THE DIVISION OF STATE LANDS & FORESTRY TOOK FORMAL ACTION ON JUNE 12, 1989, AT 9:30 A.M. IN THE DIVISION OF STATE LANDS & FORESTRY OFFICE, 355 WEST NORTH TEMPLE, 3 TRIAD CENTER, SUITE 400, SALT LAKE CITY, UTAH 84180-1204, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

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MINERAL LEASE APPLICATIONS

OIL, GAS & HYDROCARBON MINERAL LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Blake, the Director approved the Oil, Gas and Hydrocarbon lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Min. Lease Appl. No. 44411	<u>T43S, R3W, SLB&amp;M.</u>	Kane
Zephyr Corporation	Sec. 2: A11	1921.85 acres
2597 East Bridger Blvd.	Sec. 32: A11	
Sandy, UT 84093	Sec. 16: A11	

Min. Lease Appl. No. 44412	<u>T42S, R2W, SLB&amp;M.</u>	Kane
Lane Lasrich	Sec. 32: A11	640.00 acres
2597 East Bridger Blvd.		
Sandy, UT 84093		

Min. Lease Appl. No. 44413	<u>T43S, R4W, SLB&amp;M.</u>	Kane
Lane Lasrich	Sec. 32: $W\frac{1}{2}E\frac{1}{2}$ , $W\frac{1}{2}$	1120.00 acres
2597 East Bridger Blvd.	Sec. 36: A11	
Sandy, UT 84093		

Min. Lease Appl. No. 44414	<u>T44S, R4W, SLB&amp;M.</u>	Kane
Lane Lasrich	Sec. 2: $S\frac{1}{2}N\frac{1}{2}$ , $S\frac{1}{2}$	480.00 acres
2597 East Bridger Blvd.		
Sandy, UT 84093		

Min. Lease Appl. No. 44415	<u>T42S, R3W, SLB&amp;M.</u>	Kane
Lane Lasrich	Sec. 36: A11	640.00 acres
2597 East Bridger Blvd.		
Sandy, UT 84093		

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METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date is July 1, 1999.

Min. Lease Appl. No. 44407 Kennecott Minerals Company, a Delaware corporation P. O. Box 11248 (Tech Rm 260) 1515 Mineral Square Salt Lake City, UT 84147	<u>T11S, R7W, SLB&amp;M.</u> Sec. 36: All	Tooele 640.00 acres
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Min. Lease Appl. No. 44409 William M. Stokes 333 "J" Street Salt Lake City, UT 84103	<u>T33S, R26E, SLB&amp;M.</u> Sec. 16: All	San Juan 640.00 acres
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Min. Lease Appl. No. 44410 Noranda Exploration, Inc. P. O. Box 15638 Denver, CO 80215	<u>T27S, R11W, SLB&amp;M.</u> Sec. 32: Lots 1, 2, 3, 4, N $\frac{1}{2}$ , N $\frac{1}{2}$ S $\frac{1}{2}$	Beaver 666.36 acres
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DUE: \$27.00

BUILDING STONE & LIMESTONE LEASE APPLICATION - APPROVED

Upon recommendation of Mr. Mansfield, the Director approved the Building Stone/Limestone lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The application has been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available. The reassessment date is July 1, 1999.

Min. Lease Appl. No. 44408 Dale D. Rogers 545 South 900 East No. 33 St. George, UT 84770	<u>T25S, R13W, SLB&amp;M.</u> Sec. 36: W $\frac{1}{2}$ SW $\frac{1}{4}$	Millard 80.00 acres
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TOTAL ASSIGNMENTS--OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Oil, Gas, and Hydrocarbon Lease listed below to Union Oil Company of California, P.O. Box 3100, Midland, TX 79702, by Source Petroleum Company, who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: SOURCE PETROLEUM COMPANY

....ML 43914....

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Oil, Gas, and Hydrocarbon Lease listed below to Union Oil Company of California, P.O. Box 3100, Midland, TX 79702, by Robert W. Adkins, who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: ROBERT W. ADKINS

....ML 44021....

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Oil, Gas, and Hydrocarbon Leases listed below to Mobil Oil Corporation, P.O. Box 5444, Denver, CO 80217, by Loma Energy Corporation. No override, but subject to 3.33% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: LOMA ENERGY CORPORATION

....ML 41819....ML 41820....ML 41821....

TOTAL ASSIGNMENTS--METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Metalliferous Minerals Lease listed below to Golden Rule Mining Co., P.O. Box 42, Vernal, UT 84078, by Dean Ward and Arthur J. Gibby, who reserves 3% overriding royalty, in addition to 5% overriding royalty previously reserved. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: DEAN WARD AND ARTHUR J. GIBBY

....ML 39177....

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TOTAL ASSIGNMENTS--METALLIFEROUS MINERALS LEASES (cont.)

Upon recommendation of Mr. Bonner, the Director approved the assignment of the Metalliferous Minerals Lease listed below to Michael R. Lowe, 2996 South 600 East, Vernal, UT 84078, by Earl F. Gross, who reserves 6% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: EARL F. GROSS

....ML 44152....

INTEREST ASSIGNMENTS--METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Bonner, the Director approved the assignment of 50% interest in and to the Metalliferous Minerals Lease listed below to Lorenzo C. Demars (25%), 233 South 300 East, Logan, UT 84321, and Lloyd Lawrence Johnson (25%), 1086 W. Harrisville Rd., Harrisville, UT 84404, by Michael Davis Welch. No override.

LEASE OWNERSHIP: MICHAEL DAVIS WELCH

....ML 44391....

INTEREST ASSIGNMENTS--BUILDING STONE/LIMESTONE

Upon recommendation of Mr. Bonner, the Director approved the assignment of 50% interest in and to the Building Stone/Limestone Lease listed below to David L. Penney, Box 312, Beaver, UT 84713, by Eugene Hodges. No override.

LEASE OWNERSHIP: DAVID PENNEY--50%,  
AND EUGENE HODGES--50%

....ML 44192....

RELINQUISHMENT OF OIL, GAS, AND HYDROCARBON LEASES

Arch W. Devel, lessee of the Oil, Gas, and Hydrocarbon leases listed below, has requested relinquishment of these leases. These leases should be terminated and the lands offered for lease through the Division's Simultaneous filing procedures.

<u>Lease No.</u>	<u>Description</u>	<u>County/Acres</u>
ML 41424	T20S, R15E, SLB&M. Sec. 32: All	Emery 640.00 acres
ML 41431	T22S, R22E, SLB&M. Sec. 32: All	Grand 640.00 acres

Upon recommendation of Mr. Bonner, the Director approved the relinquishment of the above captioned leases.

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REQUEST FOR RELEASE OF STATEWIDE OIL AND GAS BOND

On September 22, 1980, the Director accepted a \$25,000 State of Utah Statewide Bond of Lessee from Mosbacher Production Company to cover oil and gas exploration and development operations on State lands. The Surety is Federal Insurance Company, Bond No. JLW 0980-16.

Mosbacher Energy Company (formerly Mosbacher Production Company) has requested release of this bond as its oil and gas properties in Utah have been sold and consequently has no further need of this bond. Oil and gas wells covered under this bond have either been properly reclaimed and abandoned or assigned to new lessees with proper bonding.

Upon recommendation of Mr. Bonner, the Director approved the release of Bond No. JLW 0980-16.

MERGER -- TERRA RESOURCES, INC. INTO PACIFIC ENTERPRISES OIL COMPANY (USA)

This office has received evidence that, effective April 24, 1989, Terra Resources, Inc. merged into Pacific Enterprises Oil Company (USA).

The records of the following leases should be noted to show the merger into Pacific Enterprises Oil Company (USA).

....ML 1167....ML 1174....ML 37051....ML 37052....ML 43708....ML 43709....

Upon recommendation of Mr. Bonner, the Director noted the above captioned merger.

CHANGE OF NAME -- GARY WILLIAMS OIL PRODUCER, INC. TO GARY-WILLIAMS COMPANY THEN TO THE GARY-WILLIAMS COMPANY

This office has received evidence that, effective April 19, 1989, Gary-Williams Oil Producer, Inc. changed its name to Gary-Williams Company, and then effective April 27, 1989, changed it to The Gary-Williams Company.

The records of the following leases should be noted to show the name as The Gary-Williams Company.

....ML 42419....ML 42420....ML 42426....ML 42427....ML 42428....ML 42429....  
....ML 42431....ML 42434....

Upon recommendation of Mr. Bonner, the Director noted the above captioned name change.

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CORRECTION TO THE DIRECTOR'S MINUTES JANUARY 5, 1972, ML 28072 - CLAY

On January 5, 1972, the Director approved Mineral Lease Application ML 28072 - Clay as:

<u>T6S, R3W, SLB&amp;M.</u>	Tooele
Sec. 32: NW $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$	200.00 acres

The lease description should be:

<u>T6S, R3W, SLB&amp;M.</u>	Tooele
Sec. 32: Lot 10, N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$	190.29 acres

Upon recommendation of Mr. Mansfield, the Director approved the above captioned correction.

SURETY BOND, ML 43615 - METALLIFEROUS MINERALS

Western Mining Corporation has submitted a Certificate of Deposit No. 440001 from Valley Bank of Nevada in the amount of \$5,000.00 to cover operation on their Utah State Metalliferous Minerals lease. The bond appears to be in order, and upon recommendation of Mr. Mansfield, the Director accepted the above captioned bond.

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SURFACE BUSINESS MATTERS

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CLEAR LISTS

RECEIPT OF SCHOOL LANDS INDEMNITY LIST NO. 330

The Division has received a certified copy of Indemnity Clear List No. 330 which was issued by the United States Department of Interior, Bureau of Land Management on April 19, 1989 and which conveys title to the following described lands to the State of Utah:

<u>T36S, R5E, SLB&amp;M</u>	Garfield County
Sec. 34: S2SE4	80 acres
Sec. 35: S2N2SW4, S2SW4, SE4	280 acres
 <u>T37S, R5E, SLB&amp;M</u>	 Garfield County
Sec. 1: ALL	639.08 acres
Sec. 3: ALL	635.48 acres
Sec. 9: ALL	640.00 acres
Sec. 10: ALL	640.00 acres
Sec. 11: ALL	640.00 acres
Sec. 12: ALL	640.00 acres
Sec. 13: NE4, N2NW4, SW4NW4, S2	600.00 acres
Sec. 14: ALL	640.00 acres
Sec. 15: ALL	640.00 acres
 <u>T37S, R11E, SLB&amp;M</u>	 Garfield County
Sec. 8: ALL	640.00 acres
Sec. 17: ALL	640.00 acres
 TOTAL	 7,354.56 acres

EXCEPTING AND RESERVING TO THE UNITED STATES:

1. Right-of-way over and across the lands for ditches and canals constructed by the authority of the United States, as directed and required by the Act of Congress approved August 20, 1890 (26 Stat. 391; 43 U.S.C. 945).
2. All oil and gas in the land described above, with the right to prospect for, mine, and remove the same under applicable law and such regulations as the Secretary may prescribe.

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RECEIPT OF SCHOOL LANDS INDEMNITY LIST NO. 330 (cont.)

3. A right-of-way, Serial No. UTU-0148338, for a Federal Aid Highway granted under the Act of August 27, 1958 (23 U.S.C. 317).

4. Reserving all existing roads.

Subject to:

A right-of-way for a powerline granted under the Act of March 4, 1911 (36 Stat. 1253; 43 U.S.C. 961).

Upon recommendation of Mr. Wilcox, the Director accepted the above described lands. These lands should be platted on the records of the Division.

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GRAZING PERMITS

ASSIGNMENT OF GRAZING PERMIT NO. GP 21581

The Sheriff of Rio Blanco County, CO, Ronald K. Hillory, based on the authority granted by the District Court Judge in a court decree May 3, 1988, in District Court in Mesa Colorado Case No. 86CV939, has requested permission to assign 100% of the interest in the above grazing permit to North District Production Credit Association, 743 Horizon Court, Suite 100, Grand Junction, CO 81506. The \$20.00 assignment fee and a \$5.00 affidavit for lost grazing permit document fee for a total of \$25.00 has been submitted.

Upon recommendation of Mr. Wall, the Director approved the assignment of GP 21581.

RIGHTS OF WAY

ASSIGNMENT OF RIGHT OF WAY NOS. 2045 & 2252

Northwest Pipeline Corporation, has submitted assignments of R/W Nos. 2045 & 2252 to NGC Energy Company, 2001 Bryan Tower, Suite 953, Dallas, TX 75201. The fee for these two assignments totals \$40.00.

Upon recommendation of Mr. Wall, the Director approved the assignment of Right of Way 2045 and Right of Way 2252.

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GRAZING PERMITS

GRAZING PERMIT APPLICATIONS

GP 21328  
DAVID FELTER  
PO BOX 112  
MYTON UT 84052

200.12 Acres \$ 27.90 per annum \$20.00 application fee 10 Years

County(s) Uintah

5/01/89 Beginning Date

T9S, R18E, SLB&M  
SEC. 2: Lot 4, S2 NW4, E2 SE4

Upon recommendation of Mr. Wall, the Director approved GP 21328.

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CANCELLED MINERAL LEASES

The following mineral leases are those not paid on or before the cancellation date of June 5, 1989. Certified notices were mailed.

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>TYPE</u>
Urango Mining Co., Inc.	ML 25282	MM
Gem Resources	ML 27450	OGH
Texaco Producing Inc.	ML 39039	OGH
F. M. Tully	ML 39041	OGH
Chandler & Associates Inc.	ML 39057	OGH
Dome Petroleum Corp.	ML 39067	OGH
D. L. Mattox	ML 39970	OGH
I P Petroleum Co., Inc.	ML 41235	OGH
I P Petroleum Co., Inc.	ML 41237	OGH
Maxus Exploration	ML 41260	OGH
Raymond Chorney	ML 41273	OGH
Boswell Energy Corp. et al	ML 41300	OGH
Louisiana Land & Exploration	ML 41304	OGH

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CANCELLED MINERAL LEASES (cont.)

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>TYPE</u>
F. M. Tully	ML 41230	OGH
Calais Resources Inc.	ML 42153	OGH
Dana R. Ewings	ML 42157-AG	OGH
Eric Burke	ML 42157-AI	OGH
I P Petroleum Co., Inc.	ML 42224	OGH
Universal Resources Corp.	ML 42237	OGH
Raymond Chorney	ML 42257	OGH
Raymond Chorney	ML 42304	OGH
Raymond Chorney	ML 42309	OGH
Beard Oil Company	ML 42310	Ogh
Beard Oil Company	ML 42311	OGH
Beard Oil Company	ML 42317	OGH
Beard Oil Company	ML 42318	OGH
Beard Oil Company	ML 42321	OGH
Beard Oil Company	ML 42322	OGH
Technology Investments	ML 42355	MM
Technology Investments	ML 42356	MM
Technology Investments	ML 42357	MM
M Peyton Bucy	ML 42371	OGH
Dan L. Powell	ML 42386	BS
F. M. Tully	ML 43288	OGH
F. M. Tully	ML 43289	OGH
Larry Wallaker et al	ML 43303-C	OGH
William Moore Brelsford	ML 43339	OGH
Phillips Petroleum Co.	ML 43341	OGH
Chorney Oil Company	ML 43352	OGH
Chorney Oil Company	ML 43366	OGH
Chorney Oil Company	ML 43367	OGH
Chorney Oil Company	ML 43368	OGH
Harry B. DeLong	ML 43369	OGH
Pinyon Exploration Co.	ML 43381	MM
Thomas F. Stroock	ML 43859	OGH
Thomas F. Stroock	ML 43860	OGH
Thomas F. Stroock	ML 43861	OGH
Loren J. Hughes	ML 43864	OGH
Loren J. Hughes	ML 43865	OGH
Anchor Resources Inc.	ML 43867	MM

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CANCELLED MINERAL LEASES (cont.)

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>TYPE</u>
Lane Lasrich	ML 43871	MM
Richard D. Moody	ML 43878	MM
Joan Chorney	ML 43884	OGH
Joan Chorney	ML 43894	OGH
Gordon A. Peterson et al	ML 43907	MM
Robert L. Wright	ML 43915	OGH

Upon recommendation of Mr. Johnson, the Director approved the cancellation of the above captioned leases.

CANCELLED GRAZING PERMITS

The following grazing permits are those not paid on or before the cancellation date of June 5, 1989. Certified notices were mailed.

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>COUNTY</u>
Earl Englestead & Sons	GP 20158	Kane
Asa Evans et al	GP 20213	Uintah
Red Wash Rancho	GP 20216	Uintah
David R. Finicum	GP 20293	Kane
Wendell Judd	GP 20311	Kane
Thomas Partridge	GP 20342	Garfield
Red Creek Cattle Assn.	GP 22546-1	Duchesne
Ronald J. Wriston	GP 22554	Uintah
Earl Sorensen	GP 22568	Kane
Kevin N. Shakespeare	GP 22655	Garfield
Ned Sullivan	GP 22656	Washington
Welby Aagard	GP 22666	Millard
Dick K. Jones	GP 22677	Emery
Owen Peel et al	GP 22716	Millard
Wayne Fry	GP 22343	Grand
Ronald J. Wriston	GP 22513	Uintah
J. George Conover	GP 20578	Emery
Cleland Hunt	GP 20805	Wayne
Phillip E. Allred	GP 20822	Juab
Lyle Anderson et al	GP 20872	Emery
Ronald Dudley et al	GP 20966	Uintah
Gary Sprouse Ranches	GP 20980	Uintah
Red Wash Rancho	GP 21010	Uintah
Wesley D. Adams	GP 21017	Uintah
Gary Sprouse Ranches	GP 21049	Uintah

CANCELLED GRAZING PERMITS (cont.)

<u>NAME</u>	<u>ACCOUNT NO.</u>	<u>COUNTY</u>
Phillip E. Allred	GP 21233	Millard
Natural Conservancy	GP 21511	Juab
H. Michael Behrendt	GP 21528	Grand
Patsantaras Land & Livestock Co.	GP 21577	Grand
Patsantaras Land & Livestock Co.	GP 21578	Grand
S & H Ranches Inc.	GP 21698	Uintah
Bonner Fitzgerald & Son	GP 21723	Juab
Asa W. Evans et al	GP 21793	Uintah
Dale O. Allred	GP 21943	Millard
Wayne H. Flint	GP 21945	Davis
Fairview Milburn C&H	GP 21951	Sanpete
Morris G. Allred	GP 21956	Sanpete
USEC Inc.	GP 22081	Iron
USEC Inc.	GP 22090	Iron
Ned B. Roueche	GP 22100	Davis
Joseph Smith	GP 22111	Piute
Red Wash Rancho	GP 22158	Uintah
John B. Brezoff	GP 22170	Davis
Leonard W. Hill	GP 22194	Davis
Lower Cattle Allotment	GP 22221B	Kane
Lower Cattle Allotment	GP 22221C	Kane
Fairview Milburn C&H	GP 22266	Sanpete
William A. Rowley	GP 22290	Emery
Welby Aagard	GP 22305	Millard
Dietmar Von Lentner	GP 22717	Washington
Larry J. Gleave	GP 22719	Piute
Le Grande Spilsbury	GP 22720	Washington
OX Company	GP 22727	Emery
Charlie D. Hepworth	GP 22730	Kane

Upon recommendation of Mr. Johnson, the Director approved the cancellation of the above captioned grazing permits.

<u>INTEREST RATE</u>	<u>CURRENT YEAR</u>	<u>YEAR AGO</u>
Base Rate	11.00	9.00

  
PATRICK D. SPURGIN, DIRECTOR  
DIVISION OF STATE LANDS/FORESTRY

  
LESLIE M. WARNER, RECORDS SUPERVISOR

ARCHIVES APPROVAL NO. 7900209

6/12/89

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